

Manufacturers' Shipments, Inventories, and Orders

June 1975



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SUMMARY

Total inventories declined in June for the fourth consecutive month, dropping 0.6 percent or \$900 million to \$148,051 million and represents the smallest decline since March. New orders in June for manufactured products increased 1.7 percent or \$1,317 million after seasonal adjustment. Shipments increased 1.4 percent or \$1,101 million to \$80,281 million in June. Although new orders rose in June, they continued to lag behind shipments so that unfilled orders at the end of June decreased 0.4 percent or \$449 million. The inventories to shipments ratio decreased from 1.88 to 1.84.

For the 3 months ending in June new orders registered an average monthly increase of 2.7 percent compared with a 1.1 percent decrease for the 3 months ending in March and a 4.2 percent decrease for the 3 months ending in December.

NEW ORDERS

New orders for durable goods increased 0.4 percent or \$138 million to \$39,323 million. Among the durable goods industries, the largest increase was recorded in the shipbuilding and railroad equipment industries (\$225 million). Among the supplementary series, capital goods industries decreased 0.8 percent or \$95 million with the nondefense industries decreasing 2.5 percent or \$257 million and the defense industries increasing 9.8 percent or \$162 million.

SHIPMENTS

Shipments of durable goods remained virtually unchanged at \$39,976 million. Shipments of nondurable goods increased 2.7 percent or \$1,065 million, led by increases in chemicals (\$320 million), food products (\$243 million) and the petroleum industry (\$199 million).

UNFILLED ORDERS

Unfilled orders of durable goods decreased 0.6 percent or \$651 million to \$116,825 million at the end of June, which represents the smallest decline in unfilled orders of durable goods since September of 1974. In June, industries recording decreases in unfilled orders were the nonelectrical machinery industries (\$381 million), the aerospace industries (\$241 million) and fabricated metals industries (\$197 million). These declines were partially offset by an increase in the primary metals industries (\$251 million).

INVENTORIES

Inventories of durable goods decreased \$592 million and nondurable goods decreased \$308 million between the end of June and May. At the all manufacturing level, materials and supplies decreased \$823 million, work in process increased \$102 million and finished goods decreased \$179 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for July is scheduled for release on August 21, 1975 and the full report is scheduled for release on September 2, 1975.

This report contains data on an unadjusted and seasonally adjusted basis. However, the data are not adjusted for price changes. For an explanation of terms used in this report see appendix following table 5.



U.S. DEPARTMENT OF COMMERCE | Bureau of the Census

Inquires concerning these figures should be addressed to the U.S. Department of Commerce, Bureau of the Census, Industry Division, Washington, D.C. 20233. For sale by the Subscriber Services Section (Publications), Bureau of the Census, Washington, D.C. 20233 or any Department of Commerce District Office. Price: 15 cents per copy, \$1.50 per year.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	June 1975 ^P	May 1975 ^F	Apr. 1975	June 1975 ^P	May 1975 ^F	June 1974	June 1975 ^P	May 1975 ^F	Apr. 1975	June 1975 ^P	May 1975 ^F	June 1974
All manufacturing industries:												
Total.....	80,281	79,180	80,101	85,393	80,273	86,527	148,051	148,951	150,184	148,147	150,109	133,794
Total, excluding transportation.....	71,285	70,390	71,201	75,349	70,781	76,487	126,569	127,615	128,849	127,116	128,857	115,091
Durable goods industries, total.	39,976	39,940	40,619	43,590	41,261	46,661	98,786	99,378	99,803	98,896	100,276	87,556
Stone, clay, and glass products.	2,134	2,140	2,181	2,337	2,229	2,415	3,694	3,728	3,773	3,756	3,849	3,264
Primary metals, total.....	5,661	5,711	5,968	6,263	6,191	8,475	14,282	14,114	13,770	14,129	14,070	10,109
Blast furnaces, steel mills.	2,748	2,778	3,038	3,114	3,117	4,079	7,800	7,525	7,234	7,628	7,457	4,605
Nonferrous metals.....	1,854	1,852	1,822	2,006	1,972	3,219	4,764	4,807	4,764	4,740	4,793	3,992
All other primary metals....	1,059	1,081	1,108	1,143	1,102	1,177	1,718	1,782	1,772	1,761	1,820	1,512
Fabricated metal products total.....	4,899	5,033	5,113	5,249	5,053	5,440	11,392	11,678	11,885	11,640	11,871	10,097
Metal cans, barrels, and drums.....	568	574	584	648	576	636	994	1,064	1,186	1,062	1,115	991
Machinery, except electrical, total.....	7,383	7,326	7,471	8,129	7,507	8,011	22,097	22,312	22,478	22,106	22,499	18,941
Engines and turbines.....	512	534	550	617	545	717	1,978	1,960	1,989	1,919	1,972	1,633
Farm machinery and equipment.	793	812	831	869	837	812	2,049	2,110	2,128	2,069	2,131	1,627
Construction, mining, and material handling equipment.	1,608	1,612	1,601	1,750	1,645	1,529	4,909	4,870	4,919	4,923	4,914	3,693
Metalworking machinery.....	534	540	570	600	552	562	1,836	1,882	1,893	1,827	1,893	1,612
General industrial machinery.	796	760	767	882	771	723	2,040	2,012	1,988	2,062	2,052	1,628
Electrical machinery, total.....	5,287	5,414	5,448	5,611	5,240	6,024	13,613	13,837	14,088	13,873	14,173	13,931
Electrical transmission and distribution equipment and industrial apparatus.....	1,059	1,044	1,089	1,147	1,085	1,239	2,980	3,029	3,126	2,999	3,077	3,001
Household appliances.....	772	754	715	842	767	832	1,123	1,169	1,224	1,153	1,210	1,241
Radio and TV.....	394	533	487	456	380	508	1,015	1,044	1,031	1,076	1,145	1,225
Communication equipment.....	1,201	1,290	1,328	1,282	1,275	1,292	4,180	4,202	4,223	4,222	4,269	3,959
Transportation equipment, total	8,996	8,790	8,900	10,044	9,492	10,040	21,482	21,336	21,335	21,031	21,252	18,703
Motor vehicles and parts....	5,820	5,693	5,720	6,663	6,234	6,485	6,380	6,188	6,296	6,010	6,114	5,494
Aircraft, missiles, and parts.....	2,081	2,019	2,090	2,182	2,086	2,254	11,607	11,548	11,518	11,577	11,595	10,182
Shipbuilding and railroad equipment.....	621	607	607	630	611	508	2,804	2,873	2,776	2,770	2,810	2,193
Instruments and related products, total.....	1,402	1,365	1,402	1,494	1,362	1,419	3,962	4,018	4,045	4,060	4,127	4,015
Scientific and engineering...	747	723	727	802	727	701	1,977	2,015	2,039	2,008	2,056	1,991
All other instruments and related products.....	655	642	675	692	635	718	1,985	2,003	2,006	2,052	2,071	2,024
All other durable goods industries.....	4,214	4,161	4,136	4,463	4,187	4,837	8,264	8,355	8,429	8,301	8,435	8,496
Nondurable goods industries, total.....	40,305	39,240	39,482	41,803	39,012	39,866	49,265	49,573	50,381	49,251	49,833	46,238
Food and kindred products, total.....	13,678	13,435	13,844	14,058	13,256	12,527	10,742	11,079	11,480	10,421	10,852	10,763
Meat products.....	3,152	2,857	2,772	3,174	2,883	2,573	1,207	1,203	1,179	1,220	1,238	1,167
Fats and oils.....	1,135	1,257	1,277	1,158	1,258	1,039	672	752	811	642	741	807
Tobacco products.....	583	598	605	629	605	601	3,097	3,059	3,037	2,961	3,016	2,464
Textile mill products.....	2,736	2,589	2,484	2,909	2,528	3,085	4,226	4,226	4,267	4,362	4,389	5,018
Paper and allied products, total.....	3,290	3,193	3,165	3,440	3,171	3,476	4,624	4,658	4,738	4,684	4,719	3,894
Pulp, paper, etc.....	1,467	1,439	1,408	1,519	1,428	1,495	1,781	1,783	1,776	1,796	1,795	1,354
Paperboard containers.....	760	751	751	799	763	864	1,204	1,240	1,299	1,214	1,252	1,123
All other paper containers..	1,063	1,003	1,006	1,122	980	1,117	1,639	1,635	1,663	1,674	1,672	1,417
Chemicals and allied products, total.....	6,931	6,611	6,637	7,349	7,007	7,158	10,843	10,888	10,931	10,852	10,932	8,483
Industrial chemicals, except pigments.....	2,188	2,170	2,164	2,313	2,259	2,414	3,002	3,023	3,017	2,954	2,987	2,287
Drugs, soap, and toiletries.	2,082	1,917	1,970	2,088	1,769	1,654	3,714	3,793	3,755	3,825	3,865	2,905
Petroleum and coal products...	5,263	5,064	5,014	5,367	4,988	4,983	4,141	4,066	4,157	4,082	4,022	3,657
Rubber and plastics products, n.e.c.....	1,976	1,897	1,889	2,115	1,957	2,082	3,050	3,055	3,069	3,043	3,068	2,933
All other nondurable goods industries.....	5,848	5,853	5,844	5,936	5,500	5,954	8,542	8,542	8,702	8,846	8,835	9,026

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	June 1975 ^P	May 1975 ^R	Apr. 1975	June 1975 ^P	May 1975 ^R	June 1974	June 1975 ^P	May 1975 ^R	Apr. 1975	June 1975 ^P	May 1975 ^R	June 1974
All manufacturing industries:												
Total.....	79,827	78,510	78,368	83,662	77,916	88,834	120,947	121,396	122,066	119,689	121,411	129,656
Total, excluding transportation.....	71,048	69,984	69,862	74,108	69,228	78,818	88,668	88,901	89,307	88,165	89,394	98,374
Durable goods industries, total.	39,323	39,185	38,751	41,703	38,800	49,061	116,825	117,476	118,231	115,507	117,397	124,536
Primary metals, total.....	5,912	5,863	5,395	5,695	5,560	8,916	12,211	11,960	11,807	11,847	12,416	16,767
Blast furnaces, steel mills.	3,242	2,985	2,707	2,901	2,688	4,355	6,945	6,451	6,244	6,632	6,845	10,146
Nonferrous metals.....	1,810	1,937	1,734	1,873	1,904	3,237	2,706	2,749	2,664	2,641	2,774	3,636
Fabricated metal products.....	4,702	4,844	4,813	5,034	4,823	6,281	18,326	18,523	18,712	18,374	18,590	18,446
Machinery, except electrical, total.....	7,001	7,117	6,946	7,623	7,141	8,636	26,788	27,169	27,381	26,820	27,328	26,885
Engines and turbines.....	478	528	456	544	509	804	6,838	6,872	6,879	6,827	6,900	6,531
Construction, mining, and material handling equipment.	1,442	1,526	1,395	1,608	1,551	1,876	6,548	6,714	6,800	6,659	6,801	6,231
Metalworking machinery.....	457	447	470	526	455	586	2,003	2,080	2,174	1,981	2,055	2,437
General industrial machinery.	845	823	855	864	790	784	3,569	3,519	3,457	3,547	3,565	2,802
Electrical machinery, total...	5,092	5,183	5,316	5,365	4,842	6,252	19,151	19,346	19,577	18,765	19,010	22,115
Electrical transmission and distribution equipment and industrial apparatus.....	830	913	1,062	953	955	1,354	5,711	5,940	6,070	5,749	5,943	6,533
Household appliances.....	785	763	720	845	774	835	137	124	115	130	127	129
Radio and TV.....	384	496	515	475	364	489	347	358	394	376	357	608
Communication equipment.....	1,420	1,384	1,279	1,367	1,125	1,335	7,402	7,183	7,090	6,919	6,833	6,961
Transportation equipment, total.....	8,779	8,526	8,506	9,554	8,688	10,016	32,279	32,495	32,759	31,524	32,017	31,282
Aircraft, missiles, and parts.....	1,841	1,974	1,736	1,889	1,685	1,962	20,469	20,710	20,755	20,008	20,301	17,959
Shipbuilding and railroad equipment.....	654	429	682	590	326	659	8,338	8,305	8,482	8,238	8,280	8,110
All other durable goods industries.....	7,837	7,652	7,775	8,432	7,746	8,960	8,070	7,983	7,995	8,177	8,036	9,041
Nondurable goods industries, total.....	40,504	39,325	39,617	41,959	39,116	39,773	4,122	3,920	3,835	4,182	4,014	5,120
Industries with unfilled orders.....	9,324	9,010	8,911	9,626	8,897	9,540	4,122	3,920	3,835	4,182	4,014	5,120
Industries without unfilled orders.....	31,180	30,315	30,706	32,333	30,219	30,233	-	-	-	-	-	-

- Represents zero. ^PPreliminary. ^RRevised.¹Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	June 1975 ^p	May 1975 ^r	Apr. 1975	June 1975 ^p	May 1975 ^r	June 1974	June 1975 ^p	May 1975 ^r	Apr. 1975	June 1975 ^p	May 1975 ^r	June 1974
	Shipments						Total inventories					
All manufacturing industries, total..	80,281	79,180	80,101	85,393	80,273	86,527	148,051	148,951	150,184	148,147	150,109	133,794
Durable goods industries, total.....	39,976	39,940	40,619	43,590	41,261	46,661	98,786	99,378	99,803	98,896	100,276	87,556
Nondurable goods industries, total.....	40,305	39,240	39,482	41,803	39,012	39,866	49,265	49,573	50,381	49,251	49,833	46,238
Industry groups arranged by market categories:												
Home goods and apparel.....	7,352	7,128	7,075	7,573	6,606	7,632	12,623	12,805	13,071	13,125	13,401	14,479
Consumer staples.....	16,834	16,300	16,717	17,239	15,980	15,264	18,666	18,969	19,232	18,358	18,794	16,833
Equipment and defense products, except automotive.....	11,164	11,145	11,349	12,101	11,358	11,838	38,913	39,200	39,369	38,965	39,520	34,298
Automotive equipment.....	6,940	6,786	6,813	7,948	7,440	7,960	7,959	7,821	7,934	7,559	7,760	7,303
Construction materials, supplies, and intermediate products.....	5,970	6,104	5,972	6,565	6,329	7,186	12,816	12,890	12,915	12,938	13,061	11,788
Other materials and supplies and intermediate products.....	32,121	31,717	32,175	33,967	32,560	36,427	57,074	57,266	57,663	57,202	57,573	49,093
Supplementary series: ²												
Household durable goods industries.....	3,256	3,225	3,169	3,436	3,085	3,460	6,524	6,684	6,807	6,698	6,936	7,017
Capital goods industries.....	12,457	12,372	12,695	13,440	12,573	13,616	43,525	43,774	43,945	43,610	44,118	38,655
Nondefense.....	10,872	10,704	10,956	11,767	10,915	11,935	36,145	36,664	36,967	36,244	37,002	32,466
Defense.....	1,585	1,668	1,742	1,673	1,658	1,681	7,383	7,110	6,978	7,366	7,116	6,189
	New orders						Unfilled orders					
All manufacturing industries, total..	79,527	78,510	78,368	83,662	77,916	88,834	120,947	121,396	122,066	119,689	121,411	129,656
Durable goods industries, total.....	39,323	39,185	38,751	41,703	38,800	49,061	116,825	117,476	118,231	115,507	117,397	124,536
Nondurable goods industries, total.....	40,504	39,325	39,617	41,959	39,116	39,773	4,122	3,920	3,835	4,182	4,014	5,120
Industry groups arranged by market categories:												
Home goods and apparel.....	7,299	7,129	7,148	7,646	6,643	7,856	2,173	2,120	2,125	2,175	2,107	2,962
Consumer staples.....	16,840	16,293	16,716	17,233	15,971	15,238						
Equipment and defense products, except automotive.....	10,691	10,910	10,967	11,466	10,382	12,612	61,952	62,432	62,711	60,981	61,776	61,603
Automotive equipment.....	6,930	6,745	6,698	7,791	7,322	8,077						
Construction materials, supplies, and intermediate products.....	5,818	5,824	5,654	6,439	6,057	7,724	16,584	16,736	16,947	16,721	16,846	16,841
Other materials and supplies and intermediate products.....	32,249	31,539	31,175	33,087	31,541	37,307	40,238	40,108	40,283	39,812	40,680	48,250
Supplementary series: ²												
Household durable goods industries.....	3,284	3,218	3,228	3,493	3,093	3,476	1,573	1,546	1,554	1,568	1,510	2,320
Capital goods industries.....	11,866	11,961	11,948	12,554	11,306	14,454	70,589	71,179	71,592	69,678	70,566	68,685
Nondefense.....	10,045	10,302	10,309	10,834	10,184	12,789	45,479	46,304	46,709	45,448	46,384	47,215
Defense.....	1,821	1,659	1,639	1,720	1,122	1,665	25,110	24,875	24,883	24,230	24,182	21,470

¹During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. ^pPreliminary. ^rRevised. ³Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products 'old series' categories.

Nondefense products - Machinery, except electrical, excluding farm machinery and equipment and machine shops, electrical machinery, excluding household appliances and electronic components, and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1969-74	
	May-June 1975	Apr.-May 1975	Mar.-Apr. 1975	3 months			12 months June 1974-June 1975	Average rise	Average decline
				Mar.-June 1975	Dec. 1974-Mar. 1975	Sept.-Dec. 1974			
Shipments:									
All manufacturing industries.....	+1.4	-1.1	+4.0	+1.4	-1.0	-2.5	-0.3	+1.5	-1.4
Durable goods industries, total.....	+0.1	-1.7	+5.1	+1.2	-1.6	-3.3	-0.5	+1.9	-2.0
Nondurable goods industries, total.....	+2.7	-0.6	+2.9	+1.7	-0.5	-1.6	+0.5	+1.3	-1.0
Total inventories:									
All manufacturing industries.....	-0.6	-0.8	-0.7	-0.7	+0.2	+1.7	+0.9	-0.8	-0.1
New orders:									
All manufacturing industries.....	+1.7	+0.2	-6.1	+2.7	-1.1	-4.2	-0.5	+1.9	-1.8
Durable goods industries, total.....	+0.4	+1.1	+9.2	+3.6	-2.0	-6.5	-1.3	+2.5	-2.7
Nondurable goods industries, total.....	+3.0	-0.7	+3.2	-1.8	-0.2	-1.7	+0.5	+1.3	-1.1
Unfilled orders:									
Durable goods industries, total.....	-0.6	-0.6	-1.6	-0.9	-2.6	-1.4	-0.6	+1.7	-1.1

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	June 1975 ^p	May 1975 ^r	Apr. 1975	June 1975 ^p	May 1975 ^r	June 1974	June 1975 ^p	May 1975 ^r	Apr. 1975	June 1975 ^p	May 1975 ^r	June 1974
	Total						Materials and supplies					
All manufacturing industries, total..	148,051	148,951	150,184	148,147	150,109	133,794	51,770	52,593	53,472	51,451	52,210	46,801
Durable goods industries, total.....	98,786	99,378	99,803	98,896	100,276	87,556	32,623	33,090	33,738	32,454	32,780	28,389
Stone, clay, and glass products.....	3,694	3,728	3,773	3,756	3,849	3,264	1,425	1,438	1,451	1,425	1,440	1,215
Primary metals.....	14,282	14,114	13,770	14,129	14,070	10,109	6,448	6,411	6,357	6,313	6,175	4,401
Machinery (electrical and nonelectrical).	35,710	36,149	36,566	35,979	36,672	32,872	10,923	11,125	11,323	10,991	11,176	9,883
Transportation equipment.....	21,482	21,336	21,335	21,031	21,252	18,703	4,785	4,636	4,714	4,576	4,601	3,879
All other durable goods industries.....	23,615	24,051	24,359	24,001	24,433	22,608	9,042	9,480	9,893	9,149	9,388	9,011
Nondurable goods industries, total.....	49,265	49,573	50,381	49,251	49,833	46,238	19,147	19,503	19,734	18,997	19,430	18,412
Chemicals and allied products.....	10,843	10,888	10,931	10,852	10,932	8,483	4,374	4,438	4,448	4,364	4,418	3,620
Petroleum and coal products.....	4,141	4,066	4,157	4,082	4,022	3,657	1,082	1,098	1,088	1,093	1,098	904
Rubber and plastics products, n.e.c.....	3,050	3,055	3,069	3,043	3,068	2,933	1,039	1,058	1,073	1,039	1,047	1,164
All other nondurable goods industries....	31,231	31,564	32,224	31,274	31,811	31,165	12,652	12,909	13,125	12,501	12,867	12,724
	Work in process						Finished goods					
All manufacturing industries, total..	49,447	49,345	49,420	49,260	49,665	46,041	46,834	47,013	47,292	47,436	48,234	40,952
Durable goods industries, total.....	41,954	42,022	41,939	41,713	42,249	38,670	24,209	24,266	24,126	24,729	25,247	20,497
Stone, clay, and glass products.....	498	513	497	510	535	416	1,771	1,777	1,825	1,821	1,874	1,633
Primary metals.....	4,458	4,410	4,206	4,409	4,452	3,534	3,376	3,293	3,207	3,407	3,443	2,174
Machinery (electrical and nonelectrical).	15,240	15,349	15,556	15,178	15,470	14,917	9,583	9,675	9,687	9,810	10,026	8,072
Transportation equipment.....	14,795	14,753	14,697	14,562	14,699	13,277	1,902	1,947	1,924	1,893	1,952	1,547
All other durable goods industries.....	6,999	6,997	6,983	7,054	7,093	6,526	7,577	7,574	7,483	7,798	7,952	7,071
Nondurable goods industries, total.....	7,493	7,323	7,481	7,547	7,416	7,371	22,625	22,747	23,166	22,707	22,987	20,455
Chemicals and allied products.....	1,805	1,754	1,752	1,816	1,774	1,359	4,664	4,696	4,731	4,672	4,740	3,504
Petroleum and coal products.....	1,009	982	1,068	1,027	993	1,070	2,050	1,986	2,001	1,962	1,931	1,683
Rubber and plastics products, n.e.c.....	503	506	515	500	502	457	1,508	1,491	1,481	1,504	1,519	1,312
All other nondurable goods industries....	4,176	4,081	4,146	4,204	4,147	4,485	14,403	14,574	14,953	14,569	14,797	13,956

^pPreliminary.^rRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data¹)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	June 1975 ^p	May 1975 ^r	Apr. 1975	June 1974	June 1975 ^p	May 1975 ^r	Apr. 1975	June 1974
All manufacturing industries, total.....	1.84	1.88	1.87	1.65	2.72	2.82	2.73	2.76
Durable goods industries, total.....	2.47	2.49	2.46	2.04	3.31	3.44	3.29	3.30
Stone, clay, and glass products.....	1.73	1.74	1.73	1.46	(NA)	(NA)	(NA)	(NA)
Primary metals.....	2.52	2.47	2.31	1.33	2.16	2.09	1.98	2.26
Fabricated metals.....	2.33	2.32	2.32	1.95	4.23	4.15	4.13	4.08
Machinery, except electrical.....	2.99	3.05	3.01	2.60	3.63	3.71	3.66	3.69
Electrical machinery.....	2.57	2.56	2.59	2.40	3.62	3.57	3.59	3.95
Transportation equipment.....	2.39	2.43	2.40	2.13	6.29	6.58	6.49	6.12
Instruments and related products.....	2.83	2.94	2.89	2.94	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.22	1.26	1.28	1.20	0.45	0.44	0.44	0.54
Food and kindred products.....	0.79	0.82	0.83	0.91	(X)	(X)	(X)	(X)
Tobacco products.....	5.31	5.12	5.02	4.63	(X)	(X)	(X)	(X)
Textile mill products.....	1.54	1.63	1.72	1.68	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.41	1.46	1.50	1.16	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.56	1.65	1.65	1.26	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.78	0.80	0.83	0.76	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.54	1.61	1.62	1.51	(X)	(X)	(X)	(X)

(NA) Not available. ^pPreliminary. ^rRevised. (X) Not applicable.¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the Annual Survey of Manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments—Shipments in the monthly survey are equivalent to value of shipments as reported

in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories—End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if

feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and nondurable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders—Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They

also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.